

QUEBEC STURGEON RIVER MINES LIMITED

INFORMATION CIRCULAR

June 12, 1968

1. **Revocability of Proxy:** Proxies given to the Company are revocable.
2. **Persons or Companies Making the Solicitation:** The solicitation is made by the management of the Company. The cost will be borne by the Company.

A Proxy given to the management of the Company will be voted at the meeting in accordance with the specifications given by the shareholders in the proxy with respect to any matter to be acted upon. However, the proxy is conferring discretionary authority with respect to amendments or variations to matters identified in the notice of meeting or other matters which may properly come before the meeting.

3. **Interest of Certain Persons and Companies in Matters to be Acted Upon:** None
4. **Voting Shares and Principal Holders Thereof:** 1,894,215 Common Shares are outstanding, each entitled to one vote. Shareholders of record at the time of the meeting are entitled to vote.

A SHAREHOLDER HAS THE RIGHT TO APPOINT A PERSON TO ATTEND AND ACT FOR HIM AND ON HIS BEHALF AT THE MEETING OTHER THAN THE PERSONS DESIGNATED IN THE FORM OF PROXY, AND MAY DO SO BY FILLING IN THE NAME OF THE APPOINTEE IN THE SPACE PROVIDED ON THE PROXY AND CAUSING IT TO BE FILED WITH THE SCRUTINEER AT THE MEETING.

5. **Election of Directors:**

Persons Proposed for election to Board of Directors until next Annual General Meeting	Positions and Offices Held	Principal Occupations within the past five years	Director Since	Shares Beneficially owned Directly or Indirectly in Company and Subsidiaries	
				Quebec Sturgeon	Coniagas
M. J. Boylen	President	Mining Executive with this and many other Companies	1955	67,375	440,965
C. S. Kennedy	Vice-President	Executive with this and other Companies	1946	1,800	100
R. J. Isaacs	Director	Mining Engineer with this and other Com- panies	1955	NIL	100
D. W. Gordon	Secretary- Treasurer	Executive with this and other Companies	1967	50	350
C. B. Brannigan	Director	Executive with this and other Companies	1967	NIL	NIL

6. **Remuneration of Management and Others:** Remuneration paid to directors and senior officers during the last complete financial year amounted to \$200.00.
7. **Interest of Management and Others in Material Transactions:** None.
8. **Appointment of Auditors:** Snyder, Craig and Company — First appointment June 10th, 1966.
9. **Management Contracts:** None.
10. **Particulars of Matters to be Acted Upon:** None.

By order of the Board of Directors,

D. W. GORDON,
Secretary.

QUEBEC STURGEON RIVER MINES LIMITED

Suite 903, 330 Bay Street,
TORONTO 1, ONTARIO

NOTICE

Notice is hereby given that the Annual General Meeting of the Shareholders of Quebec Sturgeon River Mines Limited will be held at Room 904, 330 Bay Street, Toronto 1, Ontario, on Friday, June 28th, 1968 at the hour of 11:30 o'clock in the forenoon (Toronto Time) for the purposes of:

1. Receiving the Annual Report of the Company for the fiscal year ended December 31st, 1967, together with the Report of the Auditors thereon, and
2. Electing directors for the ensuing year or until their successors are appointed, and
3. Appointing auditors for the ensuing year, and authorizing the directors to fix their remuneration, and
4. Transacting such other business as may properly come before the meeting.

By order of the Board of Directors,

D. W. GORDON,
Secretary.

Toronto, Ontario.
June 12th, 1967.

NOTE: Shareholders who are unable to be present at the meeting are requested to sign and return in the envelope provided for that purpose the enclosed form of Instrument of Proxy for use at the meeting. The persons named in the enclosed Instrument are officers of the Company. If the enclosed form is used, and an alternative proxy is desired, the name of such alternates may be inserted in the Instrument, and printed names thereon may be struck out. A copy of the Annual Report of the Company is enclosed with this Notice.

QUEBEC STURGEON RIVER MINES LIMITED

file

AR33

STATEMENT OF RETAINED EARNINGS

For the six months ended June 30th.
(Unaudited)

	1969	1968
BALANCE, beginning of period	\$ 297,084.80	\$ 302,810.12
Interest earned	1,848.80	---
	<u>298,933.60</u>	<u>302,810.12</u>
Administrative and General Expenses	# 7,786.07	2,417.56
Interest on advances	198.63	625.00
#Includes costs of rights offering		
	<u>7,984.70</u>	<u>3,042.56</u>
BALANCE, end of period	<u>\$ 290,948.90</u>	<u>\$ 299,767.56</u>

STATEMENT OF PREPRODUCTION AND DEFERRED DEVELOPMENT EXPENDITURE

Mining Properties in Quebec		
Balance at beginning of period	\$ 501,671.82	\$ 500,156.24
Insurance	371.48	371.48
Balance at end of period	<u>502,043.30</u>	<u>500,527.72</u>
Mining Properties in New Brunswick		
Balance at beginning and at end of period	<u>582,203.95</u>	<u>582,203.95</u>
Mining Claims in Newfoundland		
Balance at beginning of period	590.00	---
Expenditures during period	8,529.81	790.93
Balance at end of period	<u>9,119.81</u>	<u>790.93</u>
	<u>\$1,093,367.06</u>	<u>\$1,083,522.60</u>

STATEMENT OF SOURCE AND APPLICATION OF FUNDS

SOURCE OF FUNDS:		
Additional Capital Stock Issued	\$ 113,379.60	\$ ---
Interest Earned	1,848.80	---
	<u>115,228.40</u>	<u>---</u>
APPLICATION OF FUNDS:		
Mining Claims restaked	8.00	---
Mine Development expenses	8,901.29	1,163.41
Administrative and general expenses	7,786.07	3,042.56
Advances repaid	25,000.00	---
Interest on advances	198.63	---
	<u>41,893.99</u>	<u>4,205.97</u>
Resulting in an increase (decrease) in working capital	\$ 73,334.41	\$ (4,205.97)
WORKING CAPITAL		
At beginning of period	<u>5,866.11</u>	<u>18,376.94</u>
At end of period	<u>\$ 79,200.52</u>	<u>\$ 14,170.97</u>

TORONTO, Ontario
August 15th. 1969.

M. J. BOYLEN,
President.



CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION

(Unaudited)

for the Six Months Ended June 30, 1981

(With comparative figures for the six months
ended June 30, 1980)

	Six Months Ended June 30,	
	1981	1980
	\$	\$
Source of Working Capital		
Issue of shares	—	1,247,045
Exploration Advance — Anglo Dominion Gold Limited — Welsh Project .	53,500	51,045
Minority interest in subsidiary arising from issued shares of Bachelor Lake Gold Mines Inc.	—	10,500,000
Interest earned	595,005	124,669
	<u>648,505</u>	<u>11,922,759</u>

Use of Working Capital

Exploration and development expenditure	1,229,654	210,503
Hydro deposit	—	82,588
Administration expense	120,690	76,606
Incorporation and financing expenses	—	970,521
Purchase of fixed assets	4,069,302	121,838
	<u>5,419,646</u>	<u>1,462,056</u>
(Decrease) Increase in Working Capital	(4,771,141)	10,460,703
Working Capital — beginning of period	8,377,671	48,051
Working Capital — end of period	<u>3,606,530</u>	<u>10,508,754</u>

Note: Certain 1980 figures have been reclassified for
comparative purposes.



Semi-Annual Report



SIX MONTHS ENDED 30th JUNE, 1981



The mine has proven and probable ore reserves totalling 967,046 tons with an average grade of 0.195 ounce of gold per ton after dilution allowance of 10%, and those reserves are adequate for 6 years milling at proposed daily rate.

Board of Directors

QUEBEC STURGEON RIVER MINES LIMITED

21st August, 1981

To the Shareholders:

The Directors present the Consolidated Statement of Changes in Financial Position of the Corporation for the six months ended 30th June, 1981 which includes comparative figures for the same period in 1980.

Stock Township Project, Timmins area, Ontario

Following the completion of the shaft to its initial objective depth of 270 feet, the underground program of drifting and crosscutting commenced during May on the first level at 200 feet below surface. This program, consisting of 1,200 feet of advance in a north drift and south drift with connecting crosscuts is almost completed in preparation for underground diamond drilling.

This drilling, consisting of from 6,000 to 7,000 feet, has begun and will delineate the orebody to 350 feet below surface from the shaft westwards for approximately 700 feet.

Bachelor Lake Project, Lesueur Twp., Quebec

Construction of the milling complex at the Bachelor Lake Gold Mine of your Corporation's 55% owned subsidiary, Bachelor Lake Gold Mines Inc., continues on schedule and within budgeted cost estimates. Project expenditures to 30th June, 1981, total some \$7.1 million. The recently published financial statements of Bachelor Lake Gold Mines Inc., for the quarterly period ended 30th June, 1981 show working capital at that date of \$3,640,476.

The 500 TPD mill complex is scheduled to commence operation during the fourth quarter of this year and at its design capacity will treat 180,000 tons of ore per year for an expected annual production of approximately 32,000 ounces of gold.